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Approved For Release 2006/01/17: CIA-RDP82M00097R000500020036-5

USIB-D-16. 2/14 27 May 1959

UNITED STATES INTELLIGENCE BOARD

Probable Developments in North and South Vietnam
Through Mid-1957
Published 17 July 1956

and

NIE 63.2-57
Prospects for North Vietnam
Published 14 May 1957

The attached validity study of NIE 63-56 and NIE 63.2-57 was noted by the Intelligence Board on 26 May 1959 (USIB-M-40, item 11 c).

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Executive Secretary	

Attachment

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- 1. NIE 63-56 was accurate in projecting a moderately favorable short term outlook for South Vietnam. As anticipated, Diem has exercised effective political control, and the trend toward authoritarian rule has continued. He has achieved somewhat less success than anticipated in attracting popular support for his government. Considerable progress was made in internal security, as anticipated, but more recently the situation has worsened. Progress in basic economic planning and development has been even slower than anticipated; the estimate did not fully anticipate the remarkable progress made in resettlement of the refugees.
- 2. The basic thrust of NIE 63.2-57 has been borne out by events. The regime has lost a considerable measure of its original popular support, but effectiveness of its control apparatus and of the army continue to keep the regime firmly in control. The DRV has made greater efforts to establish ties with non-Bloc nations -- India, Burma, Indonesia, Cambodia -- than anticipated; however, it continues to be generally isolated from the non-Communist world. The economic aspects of the estimate seem to have held up especially well and we believe that the overall tone of the description of economic development and achievement remains valid.